

Message Text

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PAGE 01 STATE 062249

54

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3/28/74 EXT. 23456

APPROVED BY EUR/CE:SGEORGE

JUSTICE:CCDONSANTO

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P 281727Z MAR 74

FM SECSTATE WASHDC

TO AMEMBASSY BERN PRIORITY

AMCONSUL ZURICH

C O N F I D E N T I A L STATE 062249

E.O. 11652: N/A

TAGS: CFED, SZ

SUBJECT: BANK HOFFMANN OF ZURICH TO BE INDICTED FOR FRAUD

1. ACCORDING TO US ATTORNEY PAUL CURRAN AND ASSISTANT US ATTORNEY IRA SORKIN OF THE SOUTHERN DISTRICT OF NEW YORK, A GRAND JURY WILL SHORTLY INDICT THE BANK HOFFMANN OF ZURICH AND ITS COUNSEL AND ASSISTANT MANAGER, ERNST BALLMER, FOR STOCK FRAUD, MAIL FRAUD, AND CONSPIRACY. THE CHARGES ARE RELATED TO THOSE ALREADY BEING PRESSED AGAINST SWISS CITIZEN ALFRED HERBERT, ACCOUNT SUPERVISOR OF THE BANK HOFFMANN NV AND THREE US CITIZENS: PHIL STOLLER, MARTIN FRANK, AND JEROME ALLEN. THE BASIC OFFENSE BEING ALLEGED IS THAT OFFICERS OF THE BANK HOFFMANN WROTE MISLEADING LETTERS TO AMERICAN BROKERAGE HOUSES WHICH SERVED TO SUPPORT SHAM TRANSACTIONS TO MANIPULATE THE VALUE OF "TRAINING WITH THE PROS, INC." STOCK.

2. IN VIEW OF THE IRRITATION EXPRESSED BY THE SWISS AUTHORITIES OVER PAST EFFORTS OF THE US ATTORNEYS TO DEAL
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PAGE 02 STATE 062249

DIRECTLY WITH HERBERT CONCERNING HIS INDICTMENT, JUSTICE

WILL BE TRANSMITTING ALL NEW SUMMONS TO STATE FOR APPROPRIATE DELIVERY THROUGH EMBASSY BERN OR CONGEN ZURICH.
RUSH

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